

Message Text

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70

ACTION AF-18

INFO OCT-01 EUR-25 ISO-00 SPC-03 AID-20 EB-11 NSC-07

RSC-01 CIEP-02 TRSE-00 SS-20 STR-08 OMB-01 CEA-02

CIAE-00 DODE-00 INR-10 NSAE-00 PA-04 USIA-15 PRS-01

COME-00 L-03 DRC-01 /153 W

----- 101858

R 271005Z MAR 74

FM AMEMBASSY MBABANE

TO SECSTATE WASHDC 6161

INFO AMCONSUL CAPE TOWN

AMEMBASSY BLANTYRE

AMEMBASSY DAR ES SALAAM

AMCONSUL DURBAN

AMEMBASSY GABORONE

AMCONSUL JOHANNESBURG

AMEMBASSY LISBON

AMEMBASSY LONDON

AMCONSUL LOURENCO MARQUES

AMEMBASSY LUSAKA

AMEMBASSY MASERU

AMEMBASSY PRETORIA

AMEMBASSY NAIROBI

UNCLAS MBABANE 0549

E.O. 11652: N/A

TAGS: EFIN, WZ

SUBJECT: SWAZILAND TO ESTABLISH ITS OWN CURRENCY

1. MINISTER FINANCE ROBERT STEPHENS ANNOUNCED IN BUDGET
SPEECH (SEPTTEL) MARCH 26 THAT SWAZILAND TO ESTABLISH ITS
OWN CURRENCY WITHIN RPT WITHIN RAND MONETARY AREA WITH
EFFECT FROM SEPTEMBER 6, 1974. THE NEW CURRENCY, TO BE
CALLED EMALANGENI, WILL BE BACKED 100 PERCENT BY RAND,
ON PAR VALUE WITH RAND, AND FREELY CONVERTIBLE WITH RAND
WITH NO RPT NO EXCHANGE RESTRICTIONS BETWEEN EMALANGENI
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AND RAND MONETARY AREA.

2. MINFINANCE WAS AT PAINS TO EMPHASIZE THAT SWAZILAND'S INTRODUCTION OF OWN CURRENCY WOULD REPRESENT "PRACTICALLY NO CHANGE TO MAN IN THE STREET" AS EMALANGENI WOULD BE INTERCHANGEABLE WITH RAND. NEGOTIATIONS HAD BEEN SUCCESSFULLY COMPLETED AND AGREEMENT SIGNED SIX DAYS AGO WITH SOUTH AFRICA ESTABLISHING NEW SYSTEM WITH RAND TO BACK EMALANGENI.

3. PURPOSE OF INTRODUCTION OF NEW CURRENCY SAID MINFINANCE WAS TO ASSURE THAT SWAZILAND ENJOYED BENEFIT OF RETURN ON NOTES AND CURRENCY CIRCULATING WITHIN SWAZILAND. UNDER PRESENT SYSTEM, BENEFIT OF CURRENCY CIRCULATING WITHIN SWAZILAND ACCRUES TO RESERVE BANK OF SOUTH AFRICA AND NOT TO SWAZILAND.

4. COMMENT: THIS FURTHER MOVE AFTER ESTABLISHMENT ROYAL INSURANCE COMPANY AND BANK ACT (TO BE PUBLISHED MARCH 29) IN DIRECTION OF SWAZILAND CONTROLLING AND USING CAPITAL GENERATED INTERNALLY.

5. AIRGRAM ON BUDGET SPEECH TO FOLLOW.
SPICER

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NNN

Message Attributes

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Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
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Disposition Remarks:
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EO Systematic Review
30 JUN 2005

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